

**REMARKS**

By this amendment, claims 1-42 are pending. No new matter is introduced.

The final Office Action mailed March 23, 2007 rejected claims 1-42 as obvious under 35 U.S.C. § 103 based on *Kitchen et al.* (US 6,289,322) in view of *Pay and Save*.

Applicant traverses the rejection of claims 1-42 under 35 U.S.C. § 103 because the Examiner has failed to establish a *prima facie* case of obviousness with regard to the claimed subject matter.

**The Examiner has not identified where, in *Kitchen et al.*, there is invoice information including date and amount.**

With regard to the independent claims 1, 8, 15, 22, 29, and 36, the Examiner alleges, *inter alia*, that *Kitchen et al.* discloses “retrieving invoice information corresponding to a customer including **date** and amount” (emphasis added) at col. 3, lines 9-15, and col. 6, lines 29-52 (See page 3 of the Final Action). Yet, reference to the cited portions of the reference reveals nothing about invoice information including either a date or an amount. For example, col. 6, lines 36-42, recites that memory 420 stores “biller data such as the biller’s name, remittance center address, deposit account number with one of the financial institutions...account numbers for respective payors..., network address..., **and other biller related information...**” (emphasis added). If the Examiner is relying on “other biller related information” to provide a teaching of invoice information including date and amount, the Examiner is silent on this point. But, even assuming, *arguendo*, that this is the portion of *Kitchen et al.* relied on for a suggestion of invoice information including date and amount, and even if it is assumed, *arguendo*, that it would have been obvious to provide such date and amount as part of “other biller related information,” *Kitchen et al.* still fails to suggest the instant claimed subject matter. Any “date and amount” suggested by *Kitchen et al.* would not suggest the instant claimed subject matter because the

specific date and amount claimed are then used to perform other claimed functions. That is, a discount amount is calculated “based upon the invoice amount” and a payment input that authorizes a payment according to the calculated discount amount “in advance of the invoice date” is selectively received. No such functions are taught or suggested by *Kitchen et al.* because the reference, by the Examiner’s own admission, fails to teach “calculating a discount amount based on the invoice amount” and “selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice date” (pages 3-4 of the Final Action). Moreover, since the reference, at best, only suggests, if at all, a date, for example, by reciting “other biller related information,” it clearly does not suggest using that date by selectively receiving a payment input that authorizes a payment according to the calculated discount amount “in advance of the invoice date,” as claimed.

**Adding Pay and Save to the teaching of Kitchen et al. still fails to suggest the presently claimed subject matter.**

Taking independent claim 1 as an example, the Examiner alleges that the “calculating,” “displaying,” and “selectively receiving” steps of the claim are taught by *Pay and Save*, concluding that it would have been obvious to modify the electronic bill pay system of *Kitchen et al.* with the calculation of a discount amount based on the invoice amount of *Pay and Save* because this feature would allow customers “to process their bills and receive the discount which would be a benefit to them and also a benefit to the billing entity because the money is available to them earlier” (Final Action-page 4).

The Examiner’s position is legally flawed. While the Examiner alleges that *Pay and Save* discloses the “calculating,” “displaying,” and “selectively receiving” steps of the claim, the Examiner does not point out specifically where, in the reference, these teachings allegedly exist.

While *Pay and Save* does suggest, very generally, the concept of encouraging customers to take advantage of prompt payment discounts, there is absolutely no disclosure or suggestion of employing such early payment discounts in an on-line billing system, as claimed. Moreover, while *Pay and Save* mentions average discount rates of 3%, with an average discount period of 20 days, the reference says nothing about what the discount is taken on or from. Thus, there is no teaching or suggestion of a calculated discount amount “based upon the invoice amount,” as claimed. Still further, *Pay and Save* mentions prompt payment discounts, suggesting a contract price based on a specified time period, but offers nothing suggesting a time period and then further providing a discount if paid earlier than that date, as specified in the present claims.

Still further, the Examiner has not provided the requisite motivation for making the combination of *Kitchen et al.* and *Pay and Save*. The Examiner’s rationale, i.e., the feature of calculating a discount amount based on the invoice amount would allow customers “to process their bills and receive the discount which would be a benefit to them and also a benefit to the billing entity because the money is available to them earlier,” is an advantage recognized by Applicant, but there is no reason apparent from the teachings of either of the applied references to have calculated a discount amount based on the invoice amount in *Kitchen et al.*, to have displayed the calculated discount amount in the system of *Kitchen et al.*, and to have selectively received a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice date, in *Kitchen et al.* *Kitchen et al.* simply does not provide for these features and a general suggestion in *Pay and Save* of prompt payment discounts does not provide the motivation for the skilled artisan to have substantially modified *Kitchen et al.* to provide for these claimed features.

The claimed invention addresses the problem of customer resistance to conduct any e-business transactions on-line and their unwillingness to pay invoices electronically. The claimed

invention provides an incentive for customers to conduct e-business transactions on-line by providing an **early** payment discount incentive. Neither of the applied references recognizes, addresses, or offers a solution to that problem. Thus, the Examiner's attempt to establish the motivational element for making the combination is fatally flawed.

#### **Evidence of Nonobviousness**

It is well settled that the failure of the applied prior art to address or offer a solution to the problem addressed and solved by a claimed invention constitutes a potent indicium of **nonobviousness**. *North American Vaccine, Inc. v. American Cyanamid Co.*, 7 F.3d 1571, 28 USPQ2d 1333 (Fed. Cir. 1993); *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 15 USPQ2d 1321 (Fed. Cir. 1990); *In re Newell*, 891 F.2d 899, 13 USPQ2d 1248 (Fed. Cir. 1989); *In re Nomiya*, 509 F.2d 566, 184 USPQ 607 (CCPA 1975). The failure of the applied prior art to address or offer a solution to the problem of customer resistance to conducting e-business transactions on-line, therefore, constitutes a potential indicium of **nonobviousness**, improperly ignored by the Examiner.

#### **Response to the Examiner's arguments**

At page 8 of the Final Action, the Examiner cites the following language in *Pay and Save*:

"Small businesses' financial advisers should encourage them to take advantage of prompt payment discounts." "A survey...shows that the average discount rate that suppliers offer is 3%, with an average discount period of 20 days. The most frequently cited cash discount is 2.5% within 30 days."

The Examiner argues that this language of the reference is interpreted to mean that a discount percentage, e.g., 2.5% or 3%, is applied to the invoice amount/invoice total, as is presently claimed. Applicant respectfully disagrees. In accordance with the claimed invention, there is an authorization of payment “according to the calculated discount amount **in advance of the invoice date**” (emphasis added). This means that the selective receipt of a payment input that authorizes a payment according to the calculated discount amount occurs prior to the invoice date. But the language in *Pay and Save* cited by the Examiner suggests no such thing. In fact, the cited language of *Pay and Save* may reasonably be interpreted as a contract price based on a specified time period, e.g., the customer gets a 3% discount on the contract price if the bill is paid within 20 days of the invoice. Thus, an invoice is produced in *Pay and Save*, and the discount is given if the invoice amount is paid within a predetermined time period, say 20 days, but there is no prior receipt, i.e., prior to the invoice date, in *Pay and Save*, of a payment input that authorizes a payment according to the calculated discount amount. Contrary to that teaching, the presently claimed invention selectively receives a payment input that authorizes payment according to a calculated discount amount “in advance of the invoice date.” This makes sense in accordance with an aspect of the claimed invention, which is to entice customers to pay bills on-line, within a designated number of days from receipt of their invoice. The disclosure of *Pay and Save* provides no such advantage.

The Examiner interprets “invoice date” in the claims to be “the invoice due date” which is equivalent to the due date in *Pay and Save* (Final Action-page 9). Applicant urges that the Examiner’s interpretation of the claimed “invoice date” to be an “invoice due date” is highly unreasonable. If the claims were meant to refer to an “invoice **due** date,” the claims would have said as much. Instead, the clear language of the claims calls for an “invoice date” which anyone skilled in the art would interpret as the date of invoice, i.e., the date the invoice is

presented for payment. The interpretation of “invoice date” as being the date of “receipt of invoice” is consistent with its usage in the specification (e.g., see page 3, line 7).

Accordingly, since there is no motivation to make the combination of *Kitchen et al.* and *Pay and Save* and, even if made, the combination fails to teach all of the claimed steps and elements, no *prima facie* case of obviousness has been established and the Examiner should withdraw the rejection of independent claims 1, 8, 15, 22, 29, and 36 under 35 U.S.C. § 103.

### **The Dependent Claims**

Applicant separately argues the patentability of the dependent claims.

With regard to claims 4, 11, 18, 25, 32, 39, and 40, these claims require the calculation of a second discount amount based on the invoice amount and this is not taught or suggested by the applied references. The Examiner’s rejection does not even address claim 4, and this legal error alone should be grounds for withdrawal of the rejection. Although claims 11, 18, 25, 32, 39, and 40 are listed in groups of other claims in the rejection, the Examiner never explicitly explains in the rationale for the rejection how the feature of calculating a second discount amount based on the invoice amount is alleged to be taught or suggested by the applied references. In responding to Applicant’s arguments, at pages 9-10 of the Final Action, The Examiner alleges that the disclosure by *Pay and Save* of “3%, with an average discount period of 20 days” and “2.5% within 30 days” is a disclosure of calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date.

The Examiner’s explanation is unreasonable. These citations in *Pay and Save* relate to two different and separate examples in that a survey showed that the average discount rate that suppliers offer is 3%, with an average discount period of 20 days, and that a most frequently

cited cash discount is 2.5% within 30 days. These citations have absolutely nothing to do with “calculating” even one discount amount based upon a percentage of an invoice amount, let alone calculating “another” discount amount based upon a percentage of an invoice amount, and then “automatically applying either of the discount amounts based upon time of receipt of the payment input,” as claimed. The claim language shows that there is a relationship between the two discount amounts and the time of receipt of the payment input and that one or the other is applied based upon time of receipt of the payment input. The mere mention in *Pay and Save* of a discount rate discovered by survey and a discount rate most frequently cited in no way suggests applying one or the other of these cited discount rates based upon time of receipt of the payment input, as claimed. Therefore, the rejection of claims 4, 11, 18, 25, 32, 39, and 40 under 35 U.S.C. § 103 should be withdrawn.

With regard to dependent claims 12, 13, 19, 20, 26, 27, 33, 34, 41, and 42, these claims require determining whether criteria for early payment discount are satisfied for a corresponding customer, and selectively applying the discount amount based upon the determination.

Although claims 12, 13, 19, 20, 26, 27, 33, 34, 41, and 44 are listed in groups of other claims in the rejection, the Examiner never explicitly explains in the rationale for the rejection how the features of determining whether criteria for early payment discount are satisfied for a corresponding customer, and selectively applying the discount amount based upon the determination, are alleged to be taught or suggested by the applied references. Moreover, the Examiner fails to respond to Applicant’s argument in the response section of the Final Action. Accordingly, the silence of the Examiner on this point should be grounds for withdrawal of the rejection of claims 12, 13, 19, 20, 26, 27, 33, 34, 41, and 44 under 35 U.S.C. § 103.

**Conclusion**

Therefore, the present application, as amended, overcomes the rejections of record and is in condition for allowance. Favorable consideration is respectfully requested. If any unresolved issues remain, it is respectfully requested that the Examiner telephone the undersigned attorney at (703) 519-9952 so that such issues may be resolved as expeditiously as possible.

Respectfully Submitted,

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